VSA 4.22

User Manual

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INDICATOR OVERVIEW

Analytical VSA Trader is an indicator based in Volume Spread Analysis, that points every supply/demand bar present in the market, and analyzes the market's overall strength. The signals it produces have an accuracy rate of 75-80% predicting market turns, with some signals having a more lasting effect than others, as explained ahead. The background module analyzes the market over the longer-term, and it's designed to use as a filter to enter or to avoid entering in a given trade, in decision zones. The trading strategies are explained in a concise and visual way in the website.

VSA SIGNALS

The signals Analytical VSA Trader draws in the chart can be divided in 3 types.

Major Supply/ Major Demand / Supply / Demand Signals

These are denoted here by the default colors that the indicator paints. These signals are what determine a trend most of the times – enough of these Major Demand / Demand in a given price area, and the market is said to be going through an accumulation process, which is the smart money flowing into the market, taking long positions. Once this process is done, a sustained trend (bull market) can begin. The inverse process is called distribution. These signals can therefore be more than temporary strength/weakness in the market.

A notable exception is when prices are on a previous support/resistance area, where these signals can arise, but don't necessarily mean there is accumulation/distribution going on – most of the times, it's activity from locked-in traders and break-out traders who are positioning themselves.

Minor Supply / Minor Demand

These signals are represented by light blue as default. They're similar to the above signals, with the difference being mostly in the volumes – whereas the stronger signals above are accompanied by very high volumes, minor supply / minor demand signals have more modest volumes, but are nonetheless significant. Due to this fact, they usually only signal a temporary turn in the market and hardly have a lasting effect, unless of course, there was significant strength/weakness behind them.

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No Demand / No Supply / Minor No Demand / Minor No Supply

While the other signals show the smart money flowing into/out of the market, these show they're not participating in the market at all. But if market is going up and the big traders aren't participating, then they must not be interested for some reason.

- Consider that you were trading in a pit (physical exchange), and suddenly everyone else in the exchange stopped opening orders. Wouldn't you suspect that was something was bound to happen?

Applying this same logic, these also signal market turns most of the times, due to that smart money inactivity. If the next few bars the prices rises above a no demand though, that's a bullish signal and it means there was just a temporary lack of demand in the market (similar to no supply). The difference between minor signals and the normal ones in this case, is that the minor aren't as strong an indication as the normal ones, because they take a smaller sample to infer there is lack of activity in the market.

BACKGROUND

Very Strong / Strong / Neutral / Weak / Very Weak

Usually, institutional traders' market bias can't be seen in just 1 or 2 bars; the market needs to be analyzed in a longer perspective, to determine if they're accumulating, distributing or buying into dips, and so, the supply and demand signals need to be analyzed together, rather than separately. Another important factor to analyze is the trend, because the same signal on a ranging market may have a completely different meaning than in a trending market. The background then analyzes both the trend AND the supply/demand to determine the market strength. So a strong background for example, would mean that the trend is ok and there is no significant weakness to turn the current trend, or it could mean there is accumulation going on, which is also bullish.

- This is the main filter to be used when entering in a trade: in most trading setups, for a long trade, the background should be either strong or very strong, or the current timeframe neutral and the above strong/very strong. For short trades, it should be weak/very weak or neutral and weak/very weak in the above timeframe.

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SETTINGS

WARNINGS:

- Make sure you have data in history! To do this, every time you use a new pair, using a clean chart with no indicators, switch between every timeframe so that Metatrader downloads it.
- Initialization may take a few seconds for each chart with the default settings. If you have a large amount of charts open with Analytical Trader, expect it to take a while when you open Metatrader.
- To use the indicator in the tester, set Multitimeframe Signals and Multitimeframe Background to false

Set to true to set GMT offset – Set it to true to set GMT offset manually in the next input. Necessary in the first time running, and always when an warning shows up on the chart. (default = false)

Set your broker's GMT offset – GMT offset. To set it correctly please check the market watch and compare it to GMT. Example: if server time is 15:15 and GMT is 13:15, this value should be set to 2.

Set Multitimeframe Signals – Setting it to true will make Analytical Trader show the signals from the above. In the strategy tester, it should always be set to false, due to tester's limitations regarding multi-timeframe access

Set Multitimeframe Background – Setting it to true will make Analytical VSA Trader show the background for every timeframe. In the strategy tester, it should always be set to false.

Check for updates automatically – If set to true, a message will appear on the top right part of the chart (below background), with a download link to the updated version setup.

BARS Module

This module draws the bars on the chart. Symbols meaning: Dots are signals from the current timeframe, circles are signals from the above timeframe and squares are signals from 2 above timeframes.

History – Number of bars for the indicator to look up and signal on the chart. This will determine the computation time, the higher this value the higher the computation time.

Activate minor signals – Set to true/false to activate/deactivate minor signals. (default = true)

Write instructions – Set to true to write instructions of use in the bottom-right part of the chart.

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- Upper timeframes bars: on the upper timeframe the signals will appear with the timeframe next to its name (for example, Supply M30)

BACKGROUND Module

This module of the indicator scans the background, and tells you if it's bullish, bearish or neutral. The background analyzes the trend and recent VSA signals. It draws on the chart on the position you choose.

Show Background- Activates or deactivates the background module. Default is false (deactivated) for performance because it takes a few seconds to initialize.

Top – Place it on top or bottom.

Left – Place it on left or right.

Background Period – The amount of bars background should look up (default = 200). You shouldn't change this value unless you know what you're doing (check the guide document for tips).

Font – Font color

VeryStrong – Very strong background color

Strong – Strong background color

VeryWeak – Very weak background color

Weak – Weak background color

Neutral – Neutral background color

ALERTS Module

IMPORTANT: These aren't buy or sell signals, use the trading guide and/or visit our trading blog to understand the trading setups.

Activate standard bar alerts – Set to true to activate standard alerts: These are signals from the current timeframe and the upper 2 timeframes, which appear on the current timeframe as dots, circles and squares.

Filter alerts using background – The strong alerts from the current timeframe will only be shown if the background is strong, and likewise, the weak alerts from the current timeframe will only be shown if the background is weak.

Send alert by email – Set to true to activate emails sent from Metatrader. Configure it in Tools > Options > Email. It'll only work if standard bar alerts OR timeframe/background alerts below are activated.

Send push notification - Set to true to activate push notifications (to receive on the smartphone). Configure it in Tools > Options > Notifications. You'll also need to download

Metatrader for your smartphone to receive them. It'll only work if standard bar alerts OR timeframe/background alerts below are activated.

Write alert in chart – Set to true to write a comment on the chart with the alert text. It'll only work if standard bar alerts OR timeframe/background alerts below are activated.

MajorSupplyDemandSignals – Set to true so that the alerts include Major Supply and Major Demand signals (default = true)

SupplyDemandSignals - Set to true so that the alerts include Supply and Demand signals (default = true)

OneTimeframeAboveSignals - Set to true so that the alerts signals from the upper timeframe (default = true)

TwoTimeframeAboveSignals - Set to true so that the alerts signals from 2 upper timeframes (default = true)

MinorSignals - Set to true so that the alerts include Minor Supply and Minor Demand signals (default = true)

Alerts [timeframe] bars – Set to true to activate alerts in the corresponding timeframe. Note: these don't include no-demand/no-supply signals, so standard bar alerts give more alerts (but only works on the current timeframe and 2 upper timeframes). IMPORTANT: background module has to be activated for these to work.

Alerts [timeframe] bars with corresponding background – Set to true to activate alerts in the corresponding timeframe, with background filtering. For example, if there is a strong signal, it'll only alert if the background is strong as well (vice-versa for weak signals). IMPORTANT: background module has to be activated for these to work.

PERFORMANCE Module

In this module you can deactivate background computation for certain timeframes you don't use. Use this if you wish to increase Analytical Trader's initialization speed.

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